



Order 2004-7-1

**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the **1<sup>st</sup> day of July, 2004**

Essential air service at

**ALAMOGORDO/HOLLOMAN AIR FORCE BASE,  
NEW MEXICO**

under 49 U.S.C. 41731 *et seq.*

**Served: July 7, 2004**

**Docket OST-1996-1901**

**ORDER SETTING INTERIM SUBSIDY RATE**

**Summary**

By this order, the Department is extending as an interim rate the recently expired subsidy rate of \$849,235 annually set by Order 2002-4-18, April 22, 2002, for the essential air service operated by Edelweiss Holdings, Inc., d/b/a Rio Grande Air, at Alamogordo/Holloman Air Force Base, New Mexico, until new final rates can be established.

**Background and Decision**

By Order 2002-4-18 the Department selected Rio Grande Air to provide subsidized basic essential air service at Alamogordo/Holloman Air Force Base through May 31, 2004, at a subsidy rate of \$849,235 annually. This rate has expired without our having established a new rate as yet. Consequently, it is necessary for us to extend the expired rate as an interim rates, subject to retroactive adjustment, in order to ensure that Rio Grande Air will continue to be paid for its service until the we can establish a new final rate, retroactive to June 1, 2004.<sup>1</sup> The new final rate may be higher, lower or the same as the interim rate we are extending here.

This order is issued under authority delegated in 14 CFR 385.12(k)(2).

**ACCORDINGLY,**

1. We extend the subsidy rate for Edelweiss Holdings, Inc., d/b/a Rio Grande Air, for the provision of essential air service at Alamogordo/Holloman Air Force Base, New Mexico, as established by Order 2002-4-18, April 25, 2002, as an interim rate, subject to retroactive

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<sup>1</sup> We are aware that Rio Grande Air ceased operating on June 22, 2004. Establishing this rate is necessary in order to compensate the carrier for service provided after May 31. Further, if the carrier re-starts operations, it will be paid at this rate until Department action.

adjustment, effective June 1, 2004, until further Department action. The new final rate may be higher, lower or the same as the interim rate we are extending here;

2. We direct Edelweiss Holdings, Inc., d/b/a Rio Grande Air, to retain all books, records, and other source and summary documentation to support claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed, whichever comes first. Copies of flight logs for aircraft sold or disposed of must be retained. The carrier may forfeit its compensation for any claim that is not supported under the terms of this order;

3. Docket OST-1996-1901 will remain open until further order of the Department; and

4. We will serve copies of this order on the Mayor and Airport Manager of Alamogordo, the Commanding Officer, Holloman Air Force Base, and Edelweiss Holdings, Inc., d/b/a Rio Grande Air.

Persons entitled to petition the Department for review of this order under the Department's Regulations, 14 CFR 385.50, must file such petitions within ten days after the date of service of this order.

This order will be effective immediately, and the filing of a petition for review shall not preclude its effectiveness.

By:

**RANDALL D. BENNETT**  
Director  
Office of Aviation Analysis

(SEAL)

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